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Declassified and Approved For Release 2012/01/17 : CIA-RDP61-00763A000200150130-3

DPD-8493-59

11 December 1959

The Firewel Company, Inc.
3685 Broadway
Buffalo 25, New York

Ref: Contract WG-8737

Gentlemen:

Your invoice number 40863 has been approved for payment in the amount of $44,930.96 which is 7,859.04 less than the total amount billed.

The suspensions are explained as follows:

Explanation	Amount
(1.) G & A expense was billed at 11.6% for a total of $3,619.62; it should have been 5.3% with a total of $1,653.79.	
Amount of G & A overcharge	$1,965.83
(2.) Credit given by Contractor as "Amount in excess of Contract" was $2,106.26; whereas, after lowering G & A to $1,653.79 which would in turn reduce total costs from $50,986.26 to $49,020.43, then, the credit should be $140.43 ($49,020.43 less the $48,880.00 authorized by the Contract). Difference between $2,106.26 credit given by Contractor and the $140.43 credit as explained above	(1,965.83)
(3.) Travel temporarily suspended pending receipt of explanation as requested in our letter DPD-7976-59 dated 23 November 1959	$2,859.04
(4.) 15% of the fixed fee withheld in accordance with clause 4(c) of the General Provisions of the Contract which will be paid after we receive the final release (15% of $3910)	586.50

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(5.) Amount withheld per clauses 20 (f), Patent Rights, and 25 (d), Reporting of Royalties which will be released upon compliance with said General Provision's clauses. 4,413.50

Total deduction $7,059.04

Very truly yours,

Doug

Dist:
2 - Add
1 - Contract WG-8737 (Fin/DPD)
1 - Chief, Contracts Branch, DPD
1 - Finance Reading
1 - Chrono
EL:jt/11 December 1959/DPD-Fin

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